

REMARKS:

In accordance with the foregoing, claims 9, 15, 29 and 38 have been amended for clarification. New claim 42 has been added. No new matter has been added. Claims 1-31 and 33-42 are pending and under consideration. The rejections are traversed below.

OBJECTION TO THE CLAIMS:

At page 2 of the outstanding Office Action, the Examiner object to claims 9, 15, 29 and 38 due to informalities. Claims 9, 15, 29 and 38 are hereby amended.

Accordingly, withdrawal of the outstanding claim objections is requested.

OBJECTION TO THE DRAWINGS:

In the outstanding Office Action, the Examiner objected to the drawings due to informalities. Replacement FIG. 1-15, 16A-16D, 16E-1, 16E-2, 16F, 16G, 17-26, 26A and 27 are hereby submitted.

Accordingly, withdrawal of the outstanding drawing objections is requested.

REJECTION UNDER 35 U.S.C. §103(a):

In the outstanding Office Action, claims 1-31 and 33-41 were rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,134,535 ('535) and U.S. Patent No. 6,035,287 ('287).

'535 discusses a computerized stock exchange trading system continually monitoring a list of stocks and recording the stocks' prices on a spreadsheet on a personal computer such that when the composite price of the list of stocks conforms to certain predetermined parameters, the trader can execute the necessary instructions to transform the list into an order.

'287 discusses bundled asset trading executing a trade matching mechanism for recombining assets from different market participants seeking to acquire a particular asset are satisfied by participants seeking to dispose of the same asset.

The present invention discloses a basket trading system having an interface for user specification of goods and stocks to be traded as a unit where the system maintains real-time information indicating actions both before and after trading of the goods and stocks.

The Examiner compares the '535 system monitoring a list of stocks and prices thereof on a spreadsheet for executing user instructions when certain predetermined parameters are met with the present invention. In '535, a trader/operator enters a symbol representing a stock

followed by a price at which the transaction is to be completed (see, column 3, lines 20-24 of '535). The trader/operator also indicates the size of the order/volume of the transaction by either selecting the appropriate nominal figure or by inserting the precise volume (see, column 3, lines 25-29 of '535). The '535 system executes a dynamic data link to a spreadsheet which causes the spreadsheet to read the list of stocks to the multiple order trading system where the system captures the spreadsheet data and makes each stock price and volume a variable that is inserted in a list of preprogrammed commands (see, column 3, lines 51-65 of '535). This means that the '535 system is limited to executing parameters set when the trader/operator enters the same, and once the trade is executed the '535 system does not allow further action on the assets as a unit.

The present invention discloses a system and method "allowing a user to specify a basket comprising at least two fungible goods tradable via the market using an interface to initiate trading" (see, independent claims 1, 29, 33 and 35 of the present application). Specifically, the interface allows a user "to specify goods to be traded as a basket" (claim 30) where the basket includes "a basket identifier, an investment amount and goods identifiers" (claim 34) and allows trading "as a unit" (claim 38). The interface displays "a relationship between a master account and a sub-account relationship and showing sub-account contribution to the master account" to the user where the server allocates "trades in the master account to the sub-account" (claims 29 and 39). Further, "a history view" is provided according to the present invention allowing the user to view history of accounts by keeping applicable information linked (claim 29, FIG. 16A-16G and corresponding text of the present invention). This means unlike the '535 system, the present invention enables trading via which users trade a basket of stocks and other fungible goods as a unit and is not limited to selling/buying of stocks only when parameters specified by the user are met.

The Examiner acknowledges that the '535 system lacks the specific teaching of a weighting field allowing a user specified weighting and limit pricing, thus the Examiner relies on '287 as providing the same. In '287, bundles containing a plurality of assets to be exchanged are created where each bundle that is participating in a particular trade is assigned a relative allocation by the data processing system (see, column 5, lines 49-51 of '287). The allocation value is assigned to each of the bundles included in the match trade from among the plurality of entered bundles and proportions of each asset in the plurality of assets in each of the bundles are then weighted by the respective allocation value for each of the trade bundles (see, column 5, lines 57-60 of '287). Then, a market surplus is then calculated for each asset, and if the

market surplus for each asset is nonnegative, then the data processing system will redistribute the market surplus and if the market surplus for each asset is not nonnegative, then the trade match based on the assigned set of allocation values is not a successful match (see, column 6, lines 8-25 of '287). This means that the '287 system only allows a trade to be executed when there is a surplus and distributes the surplus to all participants.

In contrast, the present invention provides "a weighting field allowing a user specified weighting" that is not limited to trading only when a surplus exists. For example, the user can select among a number of options concerning how money within an account is allocated among stocks where the user can specify weight or balance stocks according to proportional dollar weighting, such as equal dollar cost, capitalization weighing, etc. If a user wanting to invest \$1000 selects price weighing where Company A stock has an asking price of \$15 and Company B has an asking price of \$10, the basket will include 40 shares of Company A (\$600 worth) and 40 shares of Company B (\$400 worth). This is not taught or suggested by the '287 system where a trade is executed based on the occurrence of a surplus and the surplus is distributed to all participants.

The burden of establishing a prima facie case of obviousness based upon the prior art lies with the Examiner. In re Fritch, 23 U.S.P.Q. 2d 1780, 1783 (Fed. Cir. 1992). According to In re Fritch, the Examiner "... can satisfy this burden only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references." The combination of '535 and '287 results in a system for monitoring a list of stocks and prices thereof via a spreadsheet for executing a trade when composite price of the list of stocks conforms to certain predetermined parameters, and a trade matching mechanism for matching participants seeking to acquire a particular asset with participants seeking to dispose of the same asset.

It is submitted that independent claims 1, 28, 30, 33-35, 38 and 39 are patentably distinguishable over the combination of '535 and '287. Thus, withdrawal of the rejection is respectfully requested.

For at least the above-mentioned reasons, claims depending from independent claims 1, 28, 30, 33-35, 38 and 39 are patentably distinguishable over the combination of '535 and '287. For example, as recited claim 26, "the interface comprises a basket rotate view". This allows trading only assets from a source to a destination basket required to effect change in an amount invested from one basket to another and moving those assets that do not need to be traded. This is not taught or suggested by the cited references.

Further, as recited in claim 36, the server confirms the trade by electronic message to the user where the electronic message comprises "an asset description, a trade time, a trade amount and a trade price for the assets and a net asset value for the basket". The net asset value allows information related to corporate action, for example, stock splits, and ad hoc adjustments by the trader to be provided. For example, when a stock split occurs, the basket as disclosed in the present invention reflects the change. This is not taught or suggested by the combination of the '535 and '287 systems because the systems only reflect the volume set by the user at the time of the trade request. Meaning, the '535 and '287 systems would only trade $\frac{1}{2}$ of the shares to be traded in a situation where a 2 for 1 split occurs after the trade list is created because the systems do not account for the stock split. The present invention addresses and solves this problem by reflecting "net asset value of the basket", which includes changes made to the basket contents by asset issuer related events, such as a stock split. Accordingly, the present invention as recited in the pending claims is not taught or suggested by the combination of '535 and '287 systems because both systems are limited to accounting for parameters or criteria specified by the user.

Therefore, withdrawal of the rejection is respectfully requested.

NEW CLAIM:

New claim 42 has been added to emphasize a patentably distinguishable feature of the present invention including a user computer coupled to the server allowing "a user to specify a basket including at least two fungible goods tradable as a unit via the market using an interface to initiate trading by the server", and the interface shows "a net asset value indicator indicating a net asset value reflecting information including changes made to the basket contents by asset issuer related events".

As discussed above, this allows the present invention to keep the basket consistent with the user's investment decisions by effecting the user's investment decisions and indicating a net asset value, even when an asset issuer event (a split type event) occurs.

CONCLUSION:

There being no further outstanding objections or rejections, it is submitted that the application is in condition for allowance. An early action to that effect is courteously solicited.

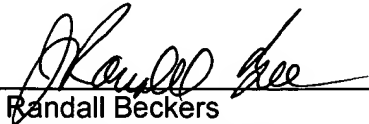
Finally, if there are any formal matters remaining after this response, the Examiner is requested to telephone the undersigned to attend to these matters.

If there are any additional fees associated with filing of this Amendment, please charge the same to our Deposit Account No. 19-3935.

Respectfully submitted,

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